

*hunter communications law group*

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August 6, 1997

EX PARTE ONE FILED

William F. Caton, Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Re: CC Docket No. 97-137 Ex Parte Meetings**

Dear Mr. Caton:

The undersigned and representatives of seven resale carrier members of the Telecommunications Resellers Association ("TRA") met with various representatives of the Commission in multiple meetings conducted on Thursday, July 24, to address the pending Ameritech Michigan Section 271 application for "in-region," interLATA authority in the subject docket. Meetings were held with Commissioner Susan Ness, James Casserly, Senior Legal Advisor to Commissioner Ness, Paul Gallant, Legal Advisor to Commissioner Quello, Kathy Franco, Legal Advisor to Commissioner Chong, Melissa Waksman, Robert Tanner, Jordan Goldstein and Sara Whitesell of the Policy and Program Planning Division of the Common Carrier Bureau, John Nakahata, Acting Chief of the Competition Division of the Office of General Counsel, and Thomas Kowsky of the Office of General Counsel. Representing TRA in these meetings were Robert M. Buchta, President of AMI Communications, Inc., Kim Harwell, President of Infinet Communications Corporation, Nathaniel Hawthorne, General Counsel, and Margie Shaw, Vice President of Telecom Technologies of CBG, Inc., Allan C. Hubbard, Regulatory Counsel of Shared Technologies Fairchild, Thomas W. Jacobs, President of US Buying Group, and Tom Jones, Marketing Manager of Cimco Communications, Inc. These resale carrier participants are currently providing, or endeavoring to provide, local exchange service in all five of the Ameritech States, including the State of Michigan. The attached document was distributed at the meetings.

At the meetings, the resale carrier participants conveyed their concerns regarding impediments to entry into the local exchange market, and to the provision of a viable competitive local exchange service offering, within the Ameritech region, including the State of Michigan. The resale carrier participants detailed various problems that they had encountered simply in attempting to secure resale agreements or, in certain states, to obtain tariffed wholesale service offerings. Ameritech was faulted, among other things, for failure to negotiate in good faith and to dedicate adequate personnel to the contracting process, as well as for imposition of processes, procedures and requirements which delay service availability. Even in those instances in which Ameritech has

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entered into resale agreements or made tariffed wholesale service offerings available, the carrier was criticized for declining to provide wholesale volume or term commitments. Arbitration, it was noted by the resale carrier participants, is not a viable option for small carriers to remedy Ameritech's reluctance to establish workable resale service arrangements.

The resale carrier participants also detailed myriad problems with Ameritech's provisioning, billing and repair processes. For example, it was reported that Ameritech does not meet requested service dates, much less its own order processing guidelines, for the large majority of orders and does not process service orders submitted by resale carriers with the same timeliness that retail service orders are processed. Moreover, Ameritech was faulted for such uncooperative practices as holding service orders for extended periods of time before rejecting them, and rejecting service orders for failure to use revised order forms without first advising resale carriers of the existence of such forms. While the resale carrier participants acknowledged that Ameritech is currently adding personnel, they emphasized that the personnel being added lack the necessary qualifications, experience and training, and are insufficient in number to adequately serve the needs of resale carriers. Problems, it was reported, are increasing in frequency and duration as service order volumes grow.

The resale carrier participants stressed that introduction of EDI is not a panacea for the above-identified problems. EDI, it was reported, cannot currently be used to process complex orders -- *e.g.*, orders for ISDN and private line services -- and results in a large percentage of defaults to manual processing. Moreover, the resale carrier participants explained that for small carriers, EDI requires a significant investment of capital -- *i.e.*, tens of thousands of dollars -- and other resources and compares unfavorably in this and other respects with electronic ordering processes developed by interexchange carriers and even other incumbent local exchange carriers.

Additional problems were noted by the resale carrier participants with Ameritech's billing, maintenance and repair processes. For example, it was explained that in the majority of instances, Ameritech's billing system identifies for up to thirty days a resale carrier's customer as an Ameritech customer, which in turn results in double billing, lost revenues for the resale carrier, and even wrongful disconnects. With respect to repair, the resale carrier participants indicated that in a majority of instances troubles reported by resale carriers must be worked multiple times before the problem is corrected, producing a significant differential between wholesale and retail repair intervals. Ameritech's service centers were faulted by the resale carrier participants for being inadequately staffed, difficult to access, unresponsive and inept.

The resale carrier participants also criticized Ameritech for anticompetitive behavior. For example, Ameritech was faulted for "gaming" the regulatory process in multiple states to slow or otherwise hinder competitive entry into the local exchange market and the competitive provision of local exchange service. Ameritech was also criticized for providing misinformation to consumers regarding resale carriers, as well as the services provided by those resale carriers. It

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was also reported that Ameritech is exploiting the poor service it is currently providing resale carriers for marketing purposes.

The resale carrier participants stressed the compelling need for resale providers of interexchange service to have a local service offering available to them in order to compete with local exchange carriers that have or will be entering the "in-region," interLATA market. Moreover, the resale carrier participants repeatedly emphasized the adverse impact on existing customer relationships of any inability on their part to deliver quality local exchange service as a result of poor performance by incumbent local exchange carriers. The resale carrier participants, accordingly, urged the various representatives of the Commission to withhold approval of any request by Ameritech for authority to enter the "in-region," interLATA market until the problems identified above have been remedied and meaningful competitive opportunities exist in the Ameritech region.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles C. Hunter".

Charles C. Hunter  
Counsel to the Telecommunications  
Resellers Association

Enclosure

June 27, 1997

## **AGENDA: CBG - AMERITECH MEETING-SERVICE PARITY**

### **I. MEETING PURPOSE**

The reason for this meeting is that CBG is very frustrated at dealing with IIS. CBG has significant issues that are (1) not understood by IIS; (2) understood by IIS but IIS is incapable of dealing with the issues from a process perspective; or (3) there is a calculated refusal to not provide parity of service to CBG. Therefore, we want someone else involved in these issues; someone that understands parity of service issues.

**[EDI will be operational at CBG no later than July 18, 1997. However, EDI will process 52% of CBG's orders, but 48% of CBG's business will be complex orders and Centrex. This 48% will still require manual processing by Ameritech.]**

### **II. ISSUES**

#### **A. ALL CBG ORDERS (Orders that CBG sends to the Ameritech Wholesale Service Center to be worked.)**

1. 80% of the time CBG's requested due dates are not met.

Please note that CBG gives Ameritech more time for provisioning than what is provided in the Ameritech guidelines;

2. Ameritech's retail unit (Small Business) is meeting its customer due dates (other than facility delays); CBG's customers know that there is a disparity in service and often ask why CBG can't meet order due dates;

Actually, CBG does not give its customers firm order due dates anymore since Ameritech can not be depended upon; CBG's experience over the last several months is that such due dates are almost never met; (Overall 80% but due dates missed are increasing.)

3. IIS has no effective plan to improve or change its order process. Ameritech is adding head count but it will take time for new employees to become effective. CBG needs immediate relief. Adding people does not improve the process. CBG needs immediate relief because the telecom market opportunity is now, not three-four months from now.

4. IIS has very limited talent available to process Centrex and complex orders; complex orders are private line, ISDN Prime, ADTS.

- Ameritech's response to CBG's complaints regarding due dates on complex orders is that "we [Ameritech] did not expect to resell Centrex, private line, ADTS, and ISDN Prime as wholesale items." EDI will not address these issues.

- Centrex specialist have limited availability. Centrex orders are bottlenecked at Ameritech.

5. Order Forms. CBG worked with Ameritech subject matter expert to develop an order form; Ameritech's subject matter expert told us what to do. When the orders were submitted, manager rejected them. Ameritech Forms on the 'net rejected by Ameritech management. CBG is not informed of changes in new order Forms.

6. Joint Team Effort. CBG has offered to do joint effort to build routine around orders. No response from Ameritech.

## **B. CRITICAL ORDER DATES**

1. Absence of standard intervals. CBG is willing to take its critical order dates and prioritize that activity in lieu of receiving "parity of service." Ameritech has refused to agree to this. CBG believes that this would be a very helpful but temporary solution.

2. The following is a list of services that CBG customers need on a critical basis.

- (a) Moves;
- (b) Expanded service, new dial tone; and,
- (c) Re-arrange service.

(In the industry, these services are commonly referred to as "moves, adds and changes.")

### **C. BILLING**

- After conversion, Ameritech's billing system will often identify a CBG customer as an Ameritech customer. (This happens approx. 50% of the time.) What are the implications?

- (a) The customer incurs 2 bills, one CBG the other Ameritech;
- (b) Usage records, local and toll continue to accumulate on the Ameritech retail unit's account. There is no way for CBG to retrieve this revenue. The revenue goes to Ameritech.
- (c) It's difficult for repair (to implement moves, adds and changes) because there has been no drop to billing.
- (d) IIS has advised CBG that orders will drop to billing in 48 hours. But due to Ameritech system limitations, 48 hours can be as long as 30 days.
- (e) To correct the problem, Ameritech has agreed to "flag Accounts". This is a band aid to relieve receipt of 2 bills by CBG's customer; this does not address any other implications.
- (f) There have been instances where Enhanced Business invoices are generated for CBG customers.
- (g) At least one instance where CBG customer disconnected by Ameritech because of non-payment of Ameritech bill.

### **D. REPAIR**

50-60% of CBG's repair tickets need to be worked 2-4 times by Ameritech before trouble is fixed.

CBG would like to see data for retail service intervals; that is, data which sets forth promised intervals or due dates and actual dates when work completed for Ameritech customers.

#### **E. WISCONSIN SERVICE CENTER**

1. Ameritech retail unit service center is open on Saturday;
2. IIS is not open on Saturday for resellers.
3. Receive confirmation on CBG orders but Ameritech did not do any work.
4. CBG telephone calls often overflow to unbundled service "clueless" dept. They are clueless because they appear to have no knowledge of resale.
5. Service center provides unacceptable follow through on CBG issues.
6. Service center not reachable afterhours by CBG even when staffed.

#### **F. ACCESSIBILITY or "INACCESSIBILITY"**

1. When CBG calls service center, CBG is on hold for 20-30 minutes; repair accessibility is starting to suffer as well.
2. When CBG is on hold , CBG cannot handle or respond to its customers.
3. CBG can not get to Ameritech management at the service center.
4. Ameritech management at service center will not return calls.
5. The service center is not properly staffed with management.

#### **G. FACILITY DELAYS**

1. IIS staff not trained on how to work through facility delays.
2. Retail unit knows who to call in Ohio to get the job done.
3. IIS unit does not have skill set to deal with facility delays.
4. CBG asked for a schedule of Ameritech facility build-out. This would be extremely helpful to CBG for planning purposes. Not received at this time.

#### **H. LOOP TESTING**

1. Retail unit can test while customer is on the line;
2. CBG wants parity;

#### **III. UNFAIR COMPETITION (Illustrative Ameri "Tech" Comments To CBG Customers)**

- (1) "Your problem would be fixed sooner if you were an Ameritech customer";
- (2) Customer told Ameritech that he would become CBG customer; tech stated that customer would still get a 911 bill from Ameritech;
- (3) During discussion Tech said to CBG customer: "CBG always places its orders wrong";
- (4) Seven line Customer asked Tech when problem would be fixed; Tech responded "it's CBG's fault; CBG only put one line on the ticket". In fact, when CBG checked, all 7 lines were on the ticket. Tech also said "he would not take this long to repair if he [CBG customer] were an Ameritech customer."

**CBG'S REQUEST –THERE IS A SENSE OF URGENCY AROUND PARITY OF SERVICE THAT IS NOT BEING RESPONDED TO BY IIS. CBG IS ENTITLED TO HAVE SERVICES PROVISIONED WITH THE SAME**



**TIMELINESS AS THEY ARE PROVISIONED TO THE AMERITECH RETAIL UNIT(S). TIMELINESS ALSO APPLIES TO CAPACITY LIMITATIONS. WE WANT ISSUES COMMUNICATED BY YOU TO ANOTHER LEVEL (OTHER THAN IIS) AT AMERITECH. WE WANT PARITY OF SERVICE. PARITY IS WHAT THE LAW AND REGULATIONS DEMAND; PARITY IS WHAT IS NEEDED BY CBG TO SURVIVE AS A BUSINESS ENTITY.**